

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0571-01
Bill No.: HB 196
Subject: Health Care; Public Assistance; Drugs and Controlled Substances;
Type: Original
Date: January 25, 2011

Bill Summary: This legislation extends the sunset on the Missouri Rx Program to 2016.

This legislation will sunset on August 28, 2016.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Missouri Rx Plan Fund	(\$19,602,166)	(\$19,602,166)	(\$19,602,166)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$19,602,166)	(\$19,602,166)	(\$19,602,166)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 208.798:

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Mental Health (DMH)** assumes there would be no fiscal impact should the sunset be extended to August 28, 2016.

DMH has approximately 42,779 consumers in the Divisions of Comprehensive Psychiatric Services (CPS) and Developmental Disabilities (DD) that are dual-eligibles. DMH assumes should the Missouri RX program sunset August 28, 2011, these 42,779 DMH consumers or the DMH would have to pay for the co-pays for prescription drugs that Missouri RX currently pays. According to DSS data, a dual-eligible uses approximately 7 prescriptions per month (per Table 23 of the FSD/MHD Monthly Management Report). The co-pays that Missouri RX currently pays are \$1.25, \$2.50, or \$3.15. Therefore, DMH assumes that if this sunset is not extended, the cost to DMH consumers or DMH would be greater than \$4,491,795 (7 prescriptions x 12 months x 42,779 consumers x \$1.25).

Officials from the **Department of Social Services** have not responded to Oversight's request for fiscal information.

Oversight states the Missouri Rx Plan has been appropriated \$19,602,166 annually from FY 2007 through FY 2010. Therefore, Oversight assumes a fiscal impact of \$19,602,166.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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MISSOURI RX PLAN FUND

<u>Costs - Department Social Services</u>			
Program Costs	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>

ESTIMATED NET EFFECT ON MISSOURI RX PLAN FUND	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>
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FISCAL IMPACT - Local Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Section 208.798:

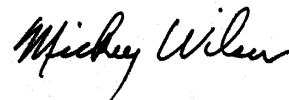
The proposed legislation extends the expiration date on the provisions regarding the Missouri Rx Plan from August 28, 2011, to August 28, 2016.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services

Not Responding: Department of Social Services



Mickey Wilson, CPA
Director
January 25, 2011